GUE/NGL

THE LEFT

IN THE EUROPEAN PARLIAMENT

ANNUAL REPORT BY THE LEFT GROUP - GUE/NGL TO THE EUROPEAN PARLIAMENT

BUDGET ITEM 400

FINANCIAL YEAR 2022

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REPORT OF THE EXTERNAL AUDITORS ON THE ANNUAL ACCOUNTS RELATIVE TO THE USE OF THE CREDITS OF ITEM 400 OF THE BUDGET OF THE EUROPEAN PARLIAMENT FOR THE PERIOD FROM 1 JANUARY 2022 TO 31 DECEMBER 2022

GUE/NGL THE LEFT IN THE EUROPEAN PARLIAMENT AUDITOR'S REPORT

In accordance with the audit mandate, we have audited the Group's Financial Statement prepared by the Group Accountant for the financial year 2022 ending 31/12/2022 as presented on pages 1 to 16 of this document.

Respective responsibilities of the Group and the auditor

Pursuant to the rules on the use of appropriation from budget item 400 (hereafter "the Rules"), the Group is responsible to the European Parliament for the conformity of appropriation usage and of the preparation of the group's financial year 2022 financial report.
We are responsible for planning and carrying out the required work to verify the financial report prepared by the Group and to report with reasonable assurance our audit opinions to the Group.

Basis of Opinions

We have conducted the audit in accordance with International Standards on Auditing as issued by the IAASB. This standard requires the auditor or auditing company to plan and carry out the work in such a way as to obtain sufficient and appropriate evidence and explanations to support audit opinions. An audit includes an examination, on a sample basis, of evidence relevant to the opinions.

The audit work included specific procedures aimed at gathering sufficient and appropriate audit evidence that:

a) the statement of revenue and expenditure gives a true and fair view of the group's financial position for the budget period concerned;
b) the balance sheet gives a true and fair view of the Group's assets at the end of the budget period,
c) the overall considerations on financial statements in the rules adopted by the Accounting Officer of the Commission set out in Article 80 of the Financial Regulation[1], have been observed in the preparation and presentation of the accounts or, where appropriate, a divergence from these overall considerations is adequately explained by a note to the financial statements.
d) an effective and efficient internal control system for the management of operations, which includes effective segregation of the duties of authorising officer and accounting officer or of the equivalent functions, is in place;
e) the accounts have been presented in accordance with the harmonised Accounting Plan in Part 2 of the Rules;
f) the expenditure complies with the provisions of the Rules;
g) the expenditure has been charged to the correct item in the budget of the Group;
h) the appropriations were available;
i) the principles of sound financial management have been applied;
j) payment orders are substantiated by original supporting documents (or certified true copies);
k) the Group's internal rules have been observed.

[1] Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012.

The audit work included verification of the risk management activities of the Group and on the quality of management and control systems. If necessary, recommendations for improving the conditions of implementation of operations and promoting sound financial management were issued.

The audit work also included assessment of the suitability and effectiveness of internal management systems and the performance of departments in implementing policies, programmes and actions by reference to the risks associated with them; and assessment of the efficiency and effectiveness of the internal control and audit systems applicable to every budget implementation operation.

Opinions

- As a result of our work, we did not identify any material non-conformity with the dispositions laid out in the Rules or with the Group's internal rules including the internal control system.
- The overall presentation of the income and expense statement and of the balance sheet complies with the chart of account provided with the Rules.
- No departures from generally accepted accounting principles have been established.
- The principle of sound financial management has been applied.
- In our opinion, the balance sheet gives a true and fair view of the financial position of the Group at 31/12/2022 and of the revenue and expenses for the year ending 31/12/2022.

Zaventem, April 21, 2023

RSM INTERAUDIT BV-SRL
REGISTERED AUDITORS
REPRESENTED BY
KARINE MORRIS
PARTNER

BALANCE SHEET The Left Group in the EP - GUE / NGL

End of accounting period 2022 (31/12/2022)

	Notes	2022	2021
ASSETS			
FIXED ASSETS			
Chapter 1 Intangible and tangible assets	3		
.1 Intangible assets		0,00	0,00
.2 Tangible assets		51.949,49	51.055,04
Subtotal for Chapter 1		51.949,49	51.055,04
CURRENT ASSETS			
Chapter 2 Debtors, stocks and other working assets	5		
.1 Suppliers		9.964,50	12.651,31
.2 Staff		2.500,00	5.000,00
.3 VAT		0,00	984,17
.4 Stocks		0,00	0,00
.5 Various		0,00	0,00
Subtotal for Chapter 2		12.464,50	18.635,48
Chapter 3 Financial assets			
.1 Financial securities	4	0,00	0,00
.2 Cash and cash equivalent		1.845.315,35	2.348.342,37
Subtotal for Chapter 3		1.845.315,35	2.348.342,37
Chapter 4 Deferred charges and accrued income			
.1 Deferred charges		34.804,00	29.422,00
.2 Accrued income		0,00	19.347,76
Subtotal for Chapter 4		34.804,00	48.769,76
TOTAL ASSETS		1.944.533,34	2.466.802,65

BALANCE SHEET The Left Group in the EP - GUE / NGL

End of accounting period 2022 (31/12/2022)

	Notes	2022	2021
LIABILITIES			
Chapter 1 Reserves			
.1 Carry forward to next financial year	**1**	1.396.048,71	2.036.084,74
Subtotal for Chapter 1		1.396.048,71	2.036.084,74
Chapter 2 Financial debts			
.1 Financial debts of a residual duration 1 year		0,00	0,00
.2 Financial debts of a residual duration /= 1 year		0,00	0,00
Subtotal for Chapter 2		0,00	0,00
Chapter 3 Other debts			
.1 Other debts		0,00	0,00
.2 Charges settled in N but paid in N+1		531.092,52	420.421,79
Subtotal for Chapter 3		531.092,52	420.421,79
Chapter 4 Deferred income / accrued charges			
.1 Deferred income		7.256,11	0,00
.2 Accrued charges		10.136,00	10.296,12
Subtotal for Chapter 4		17.392,11	10.296,12
TOTAL LIABILITIES		1.944.533,34	2.466.802,65

PROFIT AND LOSS ACCOUNT of the Left Group in the EP - GUE / NGL

End of accounting period 2022 (31/12/2022)

	Notes	2022	2021
Receipts			
Chapter 1 Grants and other receipts from the European Parliament			
.1 EP allocation		3.857.646,75	3.805.902,77
.2 Other EP resources		0,00	0,00
Subtotal for Chapter 1		3.857.646,75	3.805.902,77
Chapter 2 Own resources			
.1 Interest and assimilated products		0,00	0,00
.2 Profit on currency exchange	2	69,32	107,98
.3 Miscellaneous		0,00	0,00
.4 VAT reimbursements		0,00	0,00
.5 Amount carried forward from previous financial year		2.036.084,74	2.266.379,69
Subtotal for Chapter 2		2.036.154,06	2.266.487,67
Total receipts		5.893.800,81	6.072.390,44
Grand total		5.893.800,81	6.072.390,44

PROFIT AND LOSS ACCOUNT of the Left Group in the EP - GUE / NGL

End of accounting period 2022 (31/12/2022)

Expenditure		*Notes*	2022	2021
Chapter 1 Staff				
.1	Secretariat missions		553.688,53	153.246,39
.2	Recruitment		5.174,72	1.944,00
.3	Traineeships		3.741,09	27.712,16
.4	Salaries and related costs, fees		642.860,00	435.678,76
.5	Staff training		67.818,20	52.306,20
.6	Staff representation costs		0,00	0,00
Subtotal for Chapter 1			1.273.282,54	670.887,51
Chapter 2 Equipment, routine administrative costs and operating costs				
.1	Equipment, operating expenditure, computer-related engineering and maintenance	3	28.888,82	18.736,33
.2	Equipment, telecomunications-related installation and maintenance expenditure, office machinery, furniture and technical installations	3	13.445,09	15.795,62
.3	Stationery and office supplies		48,19	602,79
.4	Postage and telecommunications		7.154,52	11.967,30
.5	Printing and photocopying costs		7.230,70	9.264,44
.6	Office rental costs		0,00	0,00
Subtotal for Chapter 2			56.767,32	56.366,48
Chapter 3 Documentation, studies and research				
.1	Newspapers, magazines, press agencies and books		26.131,70	23.708,70
.2	Studies and research		148.791,42	242.447,61
.3	Databases		0,00	0,00
Subtotal for Chapter 3			174.923,12	266.156,31

PROFIT AND LOSS ACCOUNT of the Left Group in the EP - GUE / NGL

End of accounting period 2022 (31/12/2022)

		Notes	2022	2021
Chapter 4 Legal and accountancy fees, financial and other charges				
.1	Legal costs		0,00	0,00
.2	Accounting costs/audits		8.160,00	9.528,34
.3	Financial charges and losses from currency exchange	2	1.384,72	3.125,55
.4	Translation and interpretation costs		794,62	625,00
.5	Other operating expenditure		9.463,38	8.238,74
Subtotal for Chapter 4			19.802,72	21.517,63
Chapter 5 Cost of meetings and representation				
.1	Official Group meetings		101.049,65	26.976,44
.2	Other meetings and conferences		230.305,15	141.139,70
.3	Expenditure on entertainment		62.821,72	13.849,36
.4	Guests		841,35	0,00
.5	Individual fact finding missions of members		153.033,12	20.770,12
Subtotal for Chapter 5			548.050,99	202.735,62
Chapter 6 Publications and publicity				
.1	Posters, leaflets and booklets		1.536,00	472,00
.2	Advertising inserts and audiovisual advertising		31.243,17	19.631,13
.3	Advertising material, gadgets, publicity by telecommunication equipments		4.239,41	60.253,08
.4	Internet sites + e-publicity		114.994,48	177.992,71
.5	Visits to institutions, information stands		1.690,88	0,00
	OTHER COMM EXPENSES		14.074,20	117.995,31
Subtotal for Chapter 6			167.778,14	376.344,23

	Notes	2022	2021
Chapter 7 Members of Parliament			
.1			
Members' political and information activities, administrative expenses and political and information activities of national delegations (details attached)		2.257.147,27	2.442.297,92
Subtotal for Chapter 7		2.257.147,27	2.442.297,92
Chapter 8 Grants, subscriptions and contributions			
.1 Subsidies		0,00	0,00
.2 Subscriptions		0,00	0,00
Subtotal for Chapter 8		0,00	0,00
Total expenditure		4.497.752,10	4.036.305,70
Credits repayable to European Parliament		0	0
Amount carried forward to next financial year		1.396.048,71	2.036.084,74
Grand total		5.893.800,81	6.072.390,44

NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR 2022

The accounts, hereafter, have been prepared in conformity with:

- The 400 financial rules approved by the Bureau of the European Parliament on 30 June 2003, revised by the Bureau on 22 March 2006 (PE 335.475/BUR), on 11 July 2007, on 20 September 2010, on 23 March 2011, on 26 September 2011, on 02 July 2012, on 11 March 2013, on 24 February 2014, on 14 April 2014 on 27 April 2015, on 10 December 2018, on 11 February 2019, on 01 July 2019, on 13 January 2020, on 6 July 2020, on 7 June 2021 and 4 July 2022.

- The internal financial rules of the Group.
- The accounting principles and the harmonized accounting plan adopted by the Secretaries-General of the political groups on 15/09/2005.

Accounting principles

1. Movements on the accounts and the balances shall be entered in the accounting ledgers.

2. All accounting entries, including adjustments to the accounts, shall be based on dated and numbered supporting documents, to which they shall refer.

3. The accounting system must be such as to leave a trail for all accounting entries.

The financial statements shall be drawn up in accordance with the generally accepted accounting principles, namely:
- Going-concern basis;
- Prudence;
- Consistent accounting methods;
- Comparability of information;
- Materiality;
- No netting;
- Reality over appearance;

Pursuant to Rule 2.5.3 of the Rules on the use of appropriations from budget item 400 the accounts are held on a modified accrual system.

All expenditure relative to activities of the current or previous financial years is registered in the accounts of the current financial year, upon authorization by the authorizing officer responsible and payment by the accountant, if the actual payment is made no later than during the month following the end of the financial year.
All expenditure of a financial year paid during the month following the end of the financial year is booked on the expenditure accounts of the current financial year with counterpart a balance account (chapter III.2).
All expenditure for which actual payment is made later than the end of the month following the closure of the financial year or for risks and future charges is registered in the accounts of the next financial year.

No provisions will be made for expenditure of the current financial year not paid by the end of the month following the end of this financial year or for risks and future charges.

All revenue is registered in the income accounts upon establishment by the authorising officer.
All revenue established and not received in the course of the financial year is registered on a balance sheet account in chapter IV (deferred charges and accrued income).

CLASSIFICATION

The classification of the expenditure on the charge accounts follows the principle of classification by destination by the accounting plan annexed to the Rules on the use of appropriations from Article 400.

Note 1: Carry forward to next financial year:

Exceptional carry forward of 75% instead of 50% (bureau decision 04/07/2022) has been agreed, due to the limited activities caused by COVID pandemic.

1: Credits received by our group for the year 2022	€	3.857.646,75
2: Maximum amount of carry forward to 2023	€	2.893.235,06
3: Difference between total revenue and total expenditure at the end of the 2022 financial year	€	1.396.048,71
4: Credits to be returned to the EP	€	0.00
5: Carry forward to 2023 financial year	€	1.396.048,71

Note 2: Exchange policy:

The revenue and expenditure in other currencies are converted in euro following the exchange rate of the day of the payment. The balance sheet accounts in other currencies are translated into euro at the exchange rate of the end of the financial year.

Note 3: Depreciations of fixed assets:

Assets with a unit value of 420 Euros or more and being intended to serve the activities of the group on a lasting basis are entered in the inventory and the Group's balance sheet. Fixed assets are to be valued at their acquisition price and depreciated on a monthly basis following the straight line method by the following annual percentages:

software	25,0	%
hardware:	25,0	%
telecommunications and audiovisual equipment:	25,0	%
technical equipment:	12,5	%
other installations and machines:	12,5	%
office furniture:	10,0	%

A recapitulative table of the assets in the balance sheet is annexed

Note 4: Valuation method for financial securities:

Non applicable

Note 5: Valuation of receivables, debts and other assets:

Receivables, debts and other assets are stated at their nominal value. Value reductions on receivables and other assets are accounted for if there is any uncertainty regarding their collectability.

Our group has concluded the substantial long standing (>1 year) financial commitments, for the renting of 5 photocopiers:

- Canon Belgium SA, renting of 6 photocopiers for € 6.848,57 a year
- Canon France SAS, renting of 3 photocopiers for € 3.446,36 a year

Note 6: Comparison of figures:

According to article 2.1.1. of the financial rules governing budget item 400 this report covers the financial year 2022 which lasts from 01/01/2022 to 31/12/2022.
Please note that the comparative figures cover the financial year 2021, which lasts from 01/01/2021 to 31/12/2021.

Note 7: Technical support to European political parties and foundations Regulation: (EU, EURATOM) No 1141/2014

The The Left - GUE/NGL Group has not granted any technical support to political parties and foundations as defined in article 13 of the EP Bureau decision of 12 June 2017.

DETAIL OF THE EXECUTION OF THE DECENTRALISED CREDITS

CHAPTER 7, ARTICLE 1.

Ventilation following the accounting plan annexed to the 400 financial rules.

Chapter / article	Heading	Execution budget period 2022	%	Execution budget period 2021	%
10	Staff	517.687,54	22,94	370.470,48	15,17
20	Secretariat - equipment and expenses	153,81	0,01	13.736,80	0,56
30	Documentation, studies and research	167.908,48	7,44	340.726,68	13,95
40	Legal, accounting, financial and other operating costs	68,97	0,00	5.468,34	0,22
52	Other meetings and conferences	540.170,94	23,93	345.957,21	14,17
53	Representation costs	1.589,84	0,07	0,00	0,00
54	Guests	1.830,92	0,08	929,72	0,04
61	Posters, leaflets and booklets	193.073,16	8,55	277.910,82	11,38
62	Advertising inserts and audiovisual advertising	442.311,59	19,60	687.429,68	28,15
63	Advertising material, gadgets, publicity by telecommunication equipments	129.357,44	5,73	148.366,69	6,07
64	Websites Internet Sites + e-publicity	213.042,94	9,44	251.301,50	10,29
65	Visits to institutions; information stands	49.951,64	2,21	0,00	0,00
	TOTAL ART. 7.1.	**2.257.147,27**	100,00	**2.442.297,92**	100,00

Financial inventory financial year 2022

Financial inventory financial year 2022

		TELECOM / AUDIOVISUEL	IT HARDWARE	IT SOFTWARE	MOBILER BUREAU	EQUIP MACHINERY & INSTALL	MACHINES BUREAU	TOTAL
	Category and depreciation rate	**25%**	**25%**	**25%**	**10%**	**12,5%**	**12,5%**	
HISTORICAL	**COST**							
	Opening balances 2021 (historical cost)	63,021.15	42,973.27	26,475.00	1,698.75	0.00	0.00	134,168.17
	Less Items sold and entered in profit and loss account in 2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Plus Acquisitions during the financial year 2022	11,915.76	11,635.00	0.00	0.00	0.00	0.00	23,550.76
	Plus Transfers	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	Result Closing balance at historical cost	74,936.91	54,608.27	26,475.00	1,698.75	0.00	0.00	157,718.93
ACCUMULATED	**depreciation**							
	Opening balances (accumulated depreciation)	41,427.01	25,786.54	15,383.58	516.00	0.00	0.00	83,113.13
	Less Accumulated depreciation of items sold and entered in p/l account	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Plus Depreciation charge for the financial year 2022	9,838.84	6,718.99	5,928.63	169.85	0.00	0.00	22,656.31
	Result Closing balance at historical cost	51,265.85	32,505.53	21,312.21	685.85	0.00	0.00	105,769.44
	Net book value of fixed assets on 01/01/22	21,594.14	17,186.73	11,091.42	1,182.75			51,055.04
	Net book value of fixed assets on 31/12/22	23,671.06	22,102.74	5,162.79	1,012.90	0.00	0.00	51,949.49